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C O N F I D E N T I A L SECTION 01 OF 03 DHAKA 001069

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SUBJECT: KHALEDA ZIA RETURNS TO POLITICS AND APPEARS

INCLINED TOWARD ELECTIONS

Classified By: Ambassador James F. Moriarty. Reasons: 1.4 (b) and (d)

SUMMARY

11. (C) In her first meeting with Ambassador Moriarty, Bangladesh Nationalist Party (BNP) Chairperson Khaleda Zia adamantly insisted the State of Emergency be lifted but indicated she was committed to participating in Parliamentary elections in December. In a wideranging discussion, she expressed enthusiasm for a pre-election summit with her archrival, Awami League President Sheikh Hasina, and promised to act responsibly no matter the outcome of the vote. The Ambassador stressed the USG's desire for a free, fair and credible election and outlined the U.S. agenda of promoting democracy, development and the denial of space to terrorists in Bangladesh. Although Zia and her aides reiterated a number of political demands they considered necessary for free and fair elections, they did not threaten to boycott the vote. (Comment: Much tough negotiating remains between the Caretaker Government and the politicial parties to ensure a smooth return to democracy for this moderate Muslim-majority nation of 150 million people. At stake is whether Bangladesh continues to be a moderating voice in the Islamic world or enters an era of political uncertainty that creates an inviting target for transnational terrorism. End comment.)

CONCERNS RAISED: STATE OF EMERGENCY ...

- 12. (SBU) Former Prime Minister Khaleda Zia met the Ambassador at her new office in the diplomatic enclave on October 13, about a month after her release from prison on bail in the several graft cases filed against her by the Caretaker Government. Although she complained of a toothache at the start of the meeting, she appeared relaxed and attentive. She was joined by three of her top advisers, including Khandkar Delwar Hossain, the party secretary general who consistently demands numerous concessions from the Government as preconditions for BNP participation in the elections.
- ¶3. (C) The one issue Zia discussed at length was the demand that the State of Emergency, in place since the Caretaker Government came to power in January 2007, be lifted before elections. She raised the issue at the start of the conversation and agreed with the Ambassador that maintaining the State of Emergency as is would provide a ready excuse for whichever party lost the election to claim the polling had not been free and fair. She indicated the BNP was primarily concerned that under the Emergency several of its strongest Parliamentary candidates could not run for office because of graft convictions. Other party leaders, she said, would remain in hiding to avoid trial. As one possible solution,

the Ambassador suggested both the BNP and Awami League agree not to nominate at least some of their senior members who were in jail or in hiding. Such a compromise, he suggested, could make it easier for the Caretaker Government to lift the State of Emergency. Zia responded that not all high-profile BNP members in jail would be on the party ticket for Parliament.

... UPAZILLA ELECTIONS

- ¶4. (C) Much later in the discussion Zia and her advisers voiced opposition to the Election Commission's plan to hold upazilla (county-level) elections right after the Parliamentary vote. She said the upazilla elections were "not possible" at that time primarily for technical reasons. She suggested instead that the Caretaker Government declare a later date for the local elections, perhaps two months after the Parliament vote. The Ambassador reminded Zia that the Caretaker Government viewed upazilla elections as a key component of decentralizing power; if the vote were delayed, then newly elected Members of Parliament could influence the outcome.
- 15. (C) Zia and her advisers made only perfunctory reference to other BNP demands, such as cancellation of amended election regulations and the release of all political leaders from jail and the withdrawal of graft cases against them. Even her hard line on the Emergency did not appear insurmountable. When asked what the BNP would do should the

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Caretaker Government not scrap the Emergency, Zia said with a laugh: "Then we will have to think." When the Ambassador asked her if the BNP would be ready for elections by December 18, she responded: "Yes, because my party is an election party." In a private meeting several days earlier with the Embassy's locally engaged political specialist, Zia promised her party would participate in Parliamentary elections even though she acknowledged some BNP members wanted to boycott.

PROMISE TO PLAY NICE WITH THE AL, COOPERATE WITH THE U.S.

- 16. (C) The Caretaker Government Advisers, who act as ministers, have promoted a summit between Zia and Sheikh Hasina to work out a campaign code of conduct and post-election agreement on good governance; the Advisers seek to avoid a return of Bangladesh's traditional "winner-take-all" political ethos rooted in the bitter personal animosity between the two women. Zia told the Ambassador she had "no problem" with such a summit. (Note: Hasina reportedly has said she was open to the idea but would not decide until she consulted her party colleagues upon her return to Bangladesh from the United States from medical parole. End note.) Zia assured the Ambassador that she would play a positive role in opposition if the BNP lost the election. She also denounced political violence, which has been common among supporters of both parties in previous election campaigns.
- 17. (C) Zia listened carefully as the Ambassador explained the U.S. agenda of promoting democracy and development and denying space to terrorists in Bangladesh. He emphasized the importance of fighting not only Bangladeshi terrorist groups operating domestically but also groups, such as HUJI-B, that sent operatives abroad and had links to international terrorist organizations such as al-Qaeda. Zia noted her government broke the back of Jamaatul Mujahidin Bangladesh after its nationwide bombing campaign in 2005. She said she would not spare any terrorist should she return to power, adding that "an elected government can handle all of these things." She also voiced support for USG training of the elite Rapid Action Battalion, agreeing that initial training

should focus on human rights.

18. (C) The meeting lasted nearly 90 minutes, including a short tete-a-tete without any aides in which the Ambassador stressed the important role Zia and her party would play in Bangladesh's future. He underscored the need for responsible political leadership as the country returned to democracy, adding that the USG understood the need to work with her. Throughout the meeting in her sparsely furnished office, Zia appeared in her element, sometimes sitting back with her hands folded over her chest and her eyes narrowed as she listened intently; sometimes breaking into laughter as she spoke in short bursts of English and lengthier discourses in Bangla that her aides translated. When the discussion turned to domestic politics she frequently deferred to Delwar. Although she earlier told the Embassy political specialist she had instructed Delwar to tone down his rhetoric, he unremittingly voiced a hard-line stance. Once Delwar and the other aides left the meeting, however, she assured the Ambassador that she and she alone would steer the party into the future.

CONCLUSION: A GOOD FIRST ENCOUNTER

19. (C) In her first meeting with the Ambassador, Zia displayed great interest in USG policy and a strong desire to cooperate. Although she and her aides continued to push for a lifting of the State of Emergency and other concessions from the Caretaker Government, she listened intently to the Ambassador's call for compromise. Although she did not threaten to boycott the Parliamentary elections, a wide gulf clearly remains between what the BNP and the Caretaker Government believe are needed to achieve free and fair elections. Efforts to bridge the gap switched to a higher gear on October 14 with a long awaited formal dialogue between the Chief Adviser and senior BNP representatives. Septel will discuss the Ambassador's subsequent meeting with the two Government Advisers who are leading negotiations with the political parties on the elections and a framework for better governance.

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Moriarty